

2016 PRISM Conference – Austin, TX

April 24-27, 2016

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Conference Summary Report

I would like to express my appreciation to the Board for their approval of my attendance at the 2016 Public Retirement Information Systems Managers (PRISM) conference. This was my 8th opportunity to attend both as an employee of MPERA and TRS. To have the occasion to network with our IT peers from other public pension systems is always very informative and a great venue to learn of other systems' IT projects; successes and challenges.

The theme for this year's conference was 'Adapt to Survive and Thrive'. Its first keynote speaker was Lt. Col (ret.) Rob "Waldo" Waldman, a former F-16 fighter pilot. He overcame a lifelong battle with claustrophobia and a fear of heights to become a combat decorated Air Force fighter pilot. The essence of his message was that no matter what your role in an organization, you never "fly solo". You are always part of a team all working together, sharing a common goal. I believe that summarizes the environment here at MPERA quite well as we near the MPERActiv finish line.

There were a number of break-out sessions that focused on security and cyber threats. Given that this will always be a concern to any organization, I attended as many of these sessions as possible. The first was given by CalPERS, "Combat Cybercrime – Build a Cyber Warrior Culture", given by Liana Bailey-Crimmins, CIO. Some highlights from her presentation include that not all threat actors are the same, nor are their objectives. They range from State sponsored, to cyber criminals to insiders and nuisance actors. Their motivation includes economic/political, financial gain, revenge, and vandalism. A typical attacker goes undetected for an average of 205 days. Only 3 out of 10 organizations detect breaches on their own, the other 7 were notified by external entities. Things at stake are financial loss, business disruption, legal liability, organizational reputation and loss of confidence. Ms. Bailey-Crimmins then went on to summarize what CalPERS strategy is and how important education, training and outreach is to its stakeholders (Board, Executive, Staff, Members and other stakeholders).

Another security related session was titled “Learning from Target so you are not a target” by Ryan McArthur of Maine PERS. His presentation resembled a post-mortem of the Target hack. Ryan gathered and summarized what publicly available information he could find on what happened to Target one of the most significant data breaches (as of Dec 2013). In 36 days, 40 million card numbers and 70 million customer records were stolen. Over 11GB of data was sent to Moscow. This resulted in approximately \$248 million in direct costs to Target and its insurance carrier (as of Feb 2015). It is estimated fraudulent charges may total \$240 million to a possible \$2.2 billion. Incredibly, Target’s Security Operations Center was notified on the day the hackers gained access, but no action was taken (“this can’t be real”). On day 33 of the breach, two different forms of malware were found on Target’s POS system and removed. Two days later, 25 more infected machines were found. The breach was the result of Target’s HVAC vendor who had been compromised (via a phishing attack) 2 months prior to the target breach.

I had the opportunity to sit in on several other sessions ranging from data recovery, system redesign and Agile software development.

Again, I would like to thank the board for its continued support of MPERA’s opportunity to attend this conference.